

## **FISCAL NOTE**

TO: Chief Clerk of the Senate  
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: February 19, 1996

SUBJECT: **SB 2481 - HB 2472**

This bill, if enacted, will increase the income limit of eligible homeowners for the Property Tax Relief Program from \$10,000 to \$12,400. The property value limit of \$15,000 remains unchanged in the bill.

The fiscal impact from enactment of this bill is estimated to be an increase in 1996-97 state expenditures of \$3,000,000 (\$2,939,000 in tax relief payments and \$61,000 in administrative costs) over estimated 1995-96 expenditures of \$9,323,000. This estimate is based on the following assumptions:

1. Tennessee population figures projected through 1996.
2. Elderly persons (65 years of age or older) by 7/1/96 projected to be 13.2% of the population.
3. The percentage of elderly persons that were householders in owner-occupied housing units was 51.5% in 1990.
4. Forty percent of elderly householders had household incomes less than \$10,000 in 1990. The percentage of householders with household incomes between \$10,000 and \$15,000 was 15.6%.
5. Annual percentage increases in social security benefits from 1990-1996 are as follows: 1990, 4.7%; 1991, 5.4%; 1992, 3.7%; 1993, 3.0%; 1994, 2.6%; 1995, 2.8%; 1996, 2.6%.

6. Disabled veterans and their surviving spouses will increase about 15% from 1995 to 1996.
7. The average tax relief payment will increase by 2%.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is written in a cursive, flowing style.

James A. Davenport, Executive Director